

REMARKS/ARGUMENTS

The Examiner's Answer mailed July 12, 2010 raises a new ground of rejection. Applicants present this amendment to address the new ground of rejection, and request that prosecution of the application be reopened under 37 C.F.R. § 41.39(b)(1).

Amendments

Before this Amendment, claims 1-14 and 33-45 were present for examination. Claims 1, 4, 8, 10-12, 14, 33, 36, and 45 are amended by this paper, and no claims are canceled or added. Therefore, claims 1-14 and 33-45 are present for examination, and claims 1 and 33 are the independent claims.

Reconsideration and further examination of the application are respectfully requested.

Rejection Under 35 U.S.C. § 101

The Examiner's Answer rejects claims 1-14 and 33-45 under 35 U.S.C. § 101 as being allegedly directed to non-statutory subject matter.

Claims 1-14

The Examiner's Answer considers the *control logic* recited in claims 1, 8, 10, 11, and 12 to encompass software *per se*. Claim 1 has been amended to recite in part *a computer system comprising computer hardware, the computer system specially programmed to perform certain steps of the claimed method*. Claim 1 is an apparatus claim reciting a particular machine, a category of subject matter expressly listed in 35 U.S.C. § 101 as being patent-eligible. Claims 2-14 also recite subject matter eligible for patenting under 35 U.S.C. § 101, at least by virtue of their dependence from claim 1.

Claims 33-45

Claim 33 has been amended to recite that certain of its steps are performed by *a computer system specially programmed to perform steps of the method, and each payment transaction being received over an electronic network or on a computer readable storage*

medium. Claim 33 is thus tied to at least one specific machine, and satisfies the “machine or transformation” test endorsed by the U.S. Supreme Court as “a useful and important clue” in determining whether a process is directed to statutory subject matter under 35 U.S.C. § 101. *Bilski v. Kappos*, 95 USPQ2d 1001, 1007 (2010). Claim 33 is therefore directed to patent-eligible subject matter. Claims 34-45 also recite subject matter eligible for patenting under 35 U.S.C. § 101, at least by virtue of their dependence from claim 33.

35 U.S.C. §103(a) Rejection, Ahuja, Walker, and Muehlberger References

The Examiner's Answer indicates that claims 1-4, 13, 14, 33-36, 44, and 45 are rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over the cited portions of Ahuja et al., U.S. Patent Pub. 2001/0056402 (“Ahuja”) in view of the cited portions of Walker et al., U.S. Patent 5,884,274 (“Walker”), and further in view of the cited portions of Muehlberger et al., U.S. Patent 5,285,382 (“Muehlberger”).

Claim 1 is not obvious in view of the combination of Ahuja, Walker, and Muehlberger for at least the reason that the references, even when combined, do not teach or suggest all of the limitations of claim 1.

The Examiner's Answer relies heavily on Ahuja in defending the rejections of Applicants' claims, but Ahuja does not support the rejections. Ahuja relates generally to a “wireless financial server terminal” that can be installed in temporary or remote locations and allows consumers to perform certain financial transactions, similar to some operations that can be performed using a traditional hard-wired automatic teller machine (ATM). For example, a consumer can query his or her account balance, transfer funds, or withdraw funds from an account to be added to a smart card. (Ahuja paragraphs [0051], [0066]). Ahuja's system also enables a consumer to “pay bills” by receiving “bill paying requests” from the consumer and causing funds to be transferred to payees. (Ahuja paragraphs [0090]-[0093]). However, Ahuja's system is not a payee, and has no control over what any payee does once the payee receives funds. For example, if the payee were a credit card issuer and a consumer used Ahuja's system to make a payment on his or her credit card account, Ahuja provides no information about how

or when the payment would be posted to the consumer's credit card account. Ahuja does indicate that the payment may be made in real time, and that the account from which payment is made may be debited "substantially in real time", but this says nothing about what the payee may do with the payment transaction it receives, or how quickly. (Ahuja paragraph [0090]).

As is apparent from the above summary, Ahuja's system is far different than Applicants' claimed invention, and performs an entirely different function. These differences are amply reflected in the claims.

Claims 1-4, 13, and 14

Claim 1 recites

1. *A system for processing account payments, comprising:
a computer system comprising computer hardware, the computer system specially programmed to
receive one or more payment transactions from a client, each payment transaction being received in one of at least two submission formats, the utilized submission format for each respective payment transaction dictating the processing of the payment transaction on a batch basis or on a real-time basis;
determine, for each of the payment transactions, based at least in part on the submission format of the respective transaction, whether the payment transaction is to be processed on a batch basis or on a real-time basis;
invoke a real-time process to process payment transactions that are determined to be processed on a real-time basis, the real-time process being invoked upon submission of the payment transactions that are determined to be processed on the real-time basis; and
invoke a batch process to process payment transactions that are determined to be processed on a batch basis, the batch process being invoked at a designated time in a processing cycle without regard to timing of submission of the payment transactions that are determined to be processed on the batch basis;
wherein for each payment transaction processed by the real-time process, available credit relative to a corresponding account is adjusted in real-time based on information included in such payment transaction;
and wherein a payment transaction represents either a payment to be credited against a corresponding account or a reversal to be performed against the corresponding account to retract a previously made payment;*

and wherein for a payment transaction that is a payment to be credited against a corresponding account, the available credit to the corresponding account is increased by at least a portion of the amount of the payment received.

In support of the rejection, the Examiner's Answer cites paragraphs [0090] and [0091] of Ahuja as disclosing *receive[ing] one or more payment transactions*. (Examiner's Answer p. 8). Actually, Ahuja's paragraph [0090] describes "receiving bill paying requests" from consumers. Ahuja's "bill paying request" is a request made by a consumer to transfer money to a payee. In other words, a consumer may use Ahuja's system to instigate sending a payment transaction, but Ahuja's system is in no way involved in receiving a payment transaction. The function of Ahuja's system is to simply forward funds to the creditor. Ahuja has no control over and does not describe what the creditor does with the funds, or how quickly. Since the delays and inconvenience alleviated by Applicants' invention are related to prior methods of processing and posting of payments received by the creditor, Ahuja's system cannot provide the benefits of Applicants' invention.

As is explained in Applicants' specification and recited in claim 1, a *payment transaction* is a transaction in which a credit customer sends funds to the credit issuer in order to pay down the balance owed to the issuer (Specification paragraphs [0008], [0018]) or a reversal of a previously paid amount, as is described in paragraph [0016]. Claim 1 further specifies that *for each payment transaction processed by the real-time process, available credit relative to a corresponding account is adjusted in real-time based on information included in such payment transaction*, and that *for a payment transaction that is a payment to be credited against a corresponding account, the available credit to the corresponding account is increased by at least a portion of the amount of the payment received*. These claim elements serve to further clarify that a *payment transaction* involves the receipt of payment by a creditor, and that claim 1 recites a system used by a recipient of funds in a payment transaction, and recites one effect of the payment transaction – that the outstanding credit balance is adjusted.

In support of the rejection, the Examiner's Answer cites Ahuja's paragraph [0090] as allegedly disclosing that *for each payment transaction processed by the real-time process*,

available credit relative to a corresponding account is adjusted in real-time based on information included in such payment transaction, explaining only that the cited paragraph “reads on ‘debiting,’ i.e. after the debit, less credit is available”. (Examiner’s Answer p. 9) However, as is explained above, Ahuja’s system is not in a position to adjust the credit of any account issued by a payee. Only the account issuer can adjust the available credit, and Ahuja’s system is not an account issuer.

The Examiner’s Answer cites Ahuja’s paragraph [0044] as allegedly disclosing *that for a payment transaction that is a payment to be credited against a corresponding account, the available credit to the corresponding account is increased by at least a portion of the amount of the payment received*. (Examiner’s Answer p. 10). However, Ahuja’s system cannot increase any available credit.

Claim 1 further recites that each payment transaction is received *in one of at least two submission formats*, and also recites that *the computer system is specially programmed to ... determine, for each of the payment transactions, based on the submission format of the respective transaction, whether the payment transaction is to be processed on a batch basis or on a real-time basis*. In support of the rejection, the Examiner’s Answer cites Ahuja’s paragraph [0090] as allegedly disclosing receiving payment transactions *in one of at least two submission formats*, noting that the cited paragraph describes receiving “bill paying requests ... over cellular telephone communication channels...” (Examiner’s Answer p. 9). As has been previously explained, a “bill paying request” is not a *payment transaction*. Applicants also respectfully note that channel over which the request is received is not the same as a *format*, and that Ahuja’s paragraph [0090] describes only a single channel. Since the next step of the claim recites choosing one of two options based on which of two formats a transaction is received in, it should be apparent that *in one of at least two submission formats* means that at least two formats are defined and available. In the Response to Arguments section, the Examiner’s Answer offers several more words and ideas from Ahuja that it alleges could be considered formats, including “communication modes”, “encryption”, and the use of a “smart card”. (Examiner’s Answer p. 23). Although Applicants disagree that any of these is a format, claim 1 has been amended to further clarify that each of the available formats dictates whether the respective transaction is to

be processed *on a batch basis or on a real-time basis*. Even if, *arguendo*, Ahuja discloses different submission formats, it does not indicate that each of the submission formats has a particular processing basis.

Ahuja does not teach or suggest several claim elements for which it is relied upon in the rejection of claim 1. The other cited references do not cure this deficiency. For example, Walker describes an insurance system for “protecting individual consumers against unpredictable fluctuations of foreign exchange rates.” (Walker col. 1 ll. 49-51). Walker also describes only purchase transactions, and not payment transactions. The end result of the operation of Walker’s method with respect to a credit card account is a credit on the monthly statement of the user, which necessarily happens before any *payment transaction* relating to the statement. (Walker col. 10 ll. 10-12).

Muehlberger describes a system for delegating part of the approval process for credit card purchase transactions to a vending machine, which can then forward the purchase transaction data to a clearing facility in a batch mode or in real time. Muehlberger also does not deal with receiving *payment transactions*.

Because the cited references, even in combination, do not teach or suggest all of the limitations of claim 1, claim 1 is believed allowable over Ahuja, Walker, and Muehlberger. Claims 2-4, 13, and 14 depend from claim 1 and add further limitations, and are believed allowable at least by virtue of their dependence from an allowable base claim.

Claims 33-36, 44, and 45

Claim 33 is a method claim reciting steps analogous to the functions that the elements of claim 1 are configured to perform. For example, claim 33 recites in part *receiving ... a plurality of payment transactions from a client ... determining, ... for each of the plurality of payment transactions ... whether the payment transaction is to be processed on a batch basis or on a real-time basis; ... and for each payment transaction processed by the real-time process, adjusting ... available credit relative to a corresponding account in real-time based on information included in such payment transaction*.

Claim 33 also recites that each payment transaction is received *in one of at least two submission formats, the utilized submission format for each respective payment transaction*

dictating the processing of the payment transaction on a batch basis or on a real-time basis, and that the determination of whether to process the transaction on a batch or real-time basis is made based at least in part on the submission format of the respective transaction. Claim 33 also further specifies that for a payment transaction that is a payment to be credited against a corresponding account, the available credit to the corresponding account is increased by at least a portion of the amount of the payment received.

Claim 33 is believed allowable over Ahuja, Walker, and Muehlberger for reasons similar to those given above with respect to claim 1. Claims 34-36, 44, and 45 depend from claim 33 and add further limitations, and are believed allowable at least by virtue of their dependence from allowable base claims.

In addition, at least some of the dependent claims recite elements not found in Ahuja, Walker, or Muehlberger, and are believed allowable for additional reasons. Merely by way of non-limiting example, claim 4 recites that

for each transaction payment processed by the real-time process, if such payment transaction represents a payment to be credited against the corresponding account, a payment amount identified in such payment transaction is applied in whole or in part to the available credit relative to the corresponding account in real-time in accordance with evaluation results derived from evaluating one or more attributes relating to the payment history of the corresponding account.

Claim 36 includes a similar element. As is explained in Applicants' specification, attributes that may be checked include such things as whether the account has a history of bounced check payments. If so, then updating the available credit after a payment received by check may be delayed until the check clears. (Specification p. 6 ll. 7-15). Examiner's Answer alleges that Applicants have not provided a limiting definition of an account *attribute*, and that this term could be reasonably interpreted to include the "some biometric parameter" described by Ahuja. (Examiner's Answer p. 25). Applicants respectfully disagree, but in the interest of expediting allowance of the application, have amended claims 4 and 36 to recite that the *attribute* relates to the *payment history of the corresponding account*. A "biometric parameter" is not

related to *payment history*, and thus these claims as amended further distinguish over the cited references.

Other 35 U.S.C. §103(a) Rejections

The Examiner's Answer indicates that claims 5-7 and 37-39 are rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over the cited portions of Ahuja in view of the cited portions of Walker as applied to claim 3 above, and further in view of the cited portions of Couch, U.S. Patent 4,650,977 ("Couch").

The Examiner's Answer indicates that claims 8-10, 12, and 40-42 are rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over the cited portions of Ahuja in view of the cited portions of Walker as applied to claim 1 above, and further in view of the cited portions of Alvin, U.S. Patent 7,139,731 ("Alvin").

The Examiner's Answer indicates that claims 11 and 43 are rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over the cited portions of Ahuja in view of the cited portions of Walker as applied to claim 1 above, and further in view of the cited portions of Campbell et al., U.S. Patent 4,774,664 ("Campbell").

Each of these dependent claims depends from claim 1 or claim 33, and adds further limitations. As is explained above, claims 1 and 33 are believed allowable. The dependent claims are believed allowable at least by virtue of their dependence from allowable base claims, as well as for the novel features they recite.

Applicants' Reply to "Response to Arguments" in Examiner's Answer

The Examiner's Answer presents several responses to arguments made by Applicants in the Appeal Brief filed March 31, 2010. Without acquiescing to any other points made in the Examiner's Answer, Applicants offer the following remarks to address portions of the Examiner's Answer not already addressed above.

Issue 1

Applicants have argued that Ajuha is not relevant because Ahuja does not describe receiving payment transactions or what steps the recipient may take upon receipt. Specifically, Applicants have argued that “Ahuja’s system is not a payee, and has no control over what any payee does once the payee receives funds.” The Examiner’s Answer apparently suggests that Applicants have argued limitations not in the claims, because the claims do not contain the word “payee”. (Examiner’s Answer p. 18).

The involvement of a payee is inherent in the claims. A “payee” is “one to whom money is or is to be paid”. (Merriam Webster Online dictionary). Claim 1 recites a system programmed to *receive one or more payment transactions*.

The Examiner’s Answer insists that Ahuja is applicable because “payment to a payee is explicitly taught.” (Examiner’s Answer p. 18). Whether true or not, this statement does not support the rejection, and in fact makes Applicants’ own point. The Examiner’s Answer states that Ahuja teaches making a payment to a payee. Claim 1 recites the receipt of payment transactions, not the sending. As Applicants have repeatedly stated, Ahuja’s system may be used to send payment transactions, but does not receive them.

The Examiner’s Answer also alleges that “the claim language does not discuss what a payee does once funds are received” and therefore “it is not necessary for this teaching to be supplied by the reference.” In fact, claim 1 recites

*for each payment transaction processed by the real-time process,
available credit relative to a corresponding account is adjusted in
real-time based on information included in such payment transaction;*

...

*and wherein for a payment transaction that is a payment to be credited
against a corresponding account, the available credit to the
corresponding account is increased by at least a portion of the
amount of the payment received.*

These claim limitations explicitly describe actions taken by a payee after receipt of the payment transactions, and a proper rejection must point out where in the references these limitations are taught.

The Examiner's Answer also insists that Ahuja is "replete with examples of a payment transaction being processed 'substantially in real time'", citing Ahuja's paragraph [0090]. (Examiner's Answer p. 19). Ahuja's paragraph [0090] describes "debiting the customer's bank accounts substantially in real-time in response to the debit message" but then separately describes "paying entities selected by the customers via the wireless remote banking terminals with funds obtained by debiting the customer's bank accounts." Clearly the part of this process that happens in "real-time" is taking funds out of the customer's bank account to make the payment being described. This paragraph does not describe what happens after "paying entities" occurs – the subject of Applicants' claims.

The Examiner's Answer also alleges that Applicants have not provided a limiting definition of a *payment transaction*. Applicants respectfully note that claim 1 itself explicitly states that a *payment transaction represents either a payment to be credited against a corresponding account or a reversal to be performed against the corresponding account to retract a previously made payment*.

Issue 2

The Examiner's Answer insists that Ahuja's system debits a customer's account in real time, citing paragraph [0091] of Ahuja. (Examiner's Answer p. 21). However, again, the cited portion of Ahuja separately describes debiting the customers account and "paying the selected payee...." Ahuja does not indicate that the payee does anything in real time, and thus the cited passage does not support the rejection.

Issue 4

The Examiner's Answer states that a "purchase transaction is considered to be a type of payment transaction." (Examiner's Answer p. 23). Applicants respectfully note that a *payment transaction* is explicitly defined in the claims in a way that distinguishes from a purchase transaction.

Applicants have also pointed out that the additional references, Walker and Muehlberger, do not deal with *payment transactions*. The Examiner's Answer notes that these references were cited "to teach aspects associated with batch versus real-time processing, and the

selection between two processes to apply to certain transactions” and suggests that “it is improper to attack these references for something they were not being used for.”

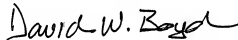
As was made clear in the Appeal Brief, Applicants discussed these references in this way to demonstrate that they do not cure the deficiencies of Ahuja. This is entirely proper.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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